

The Gazette of India



EXTRAORDINARY

PART II—Section 3—Sub-section (ii)

PUBLISHED BY AUTHORITY

No. 29] NEW DELHI, MONDAY, MARCH 17, 1958/PHALGUNA 26, 1879

MINISTRY OF COMMERCE AND INDUSTRY

NOTIFICATION

New Delhi, the 17th March 1958/Phalguna 26, 1879 Saka

S.O. 260.—The following rules made by the East India Cotton Association, Limited in exercise of the powers conferred on it by sub-section (1) of section 9A of the Forward Contracts (Regulation) Act, 1952 (74 of 1952), and approved by the Central Government are hereby published as required by sub-section (2) of that section, namely:—

PANELS OF MEMBERS

"Article" 26.—(1) All Full Members of the Association shall be classified into three Panels as follows:—

- (1) Buyers.
- (2) Sellers.
- (3) Brokers.

(2) All Full Members who, on the day preceding the date upon which this Article shall come into force, were classified into the aforesaid three Panels in terms of the then existing Article 27, shall be re-classified by the President in consultation and with the approval of the chairman of the Forward Markets Commission, in their absolute and uncontrolled discretion, in the respective Panels according to their predominant business interest. In doing so, the President and the Chairman of the Forward Markets Commission, shall separate the members included in the Buyers' Panel into two divisions, one consisting of mill members and the other of the remaining members. Notwithstanding that any member shall be included as aforesaid in any of the said three Panels, or any division thereof, it shall nevertheless be competent to the Board, in their absolute and uncontrolled discretion, at any time and from time to time with the approval of the Forward Markets Commission, to alter the Panel or any division thereof, in which any such Member shall be included or transferred to, if they consider that the Member's predominant business interest has changed in the meantime. Provided, however, that no such alteration shall ordinarily be made during a period of three months immediately preceding an Annual General Meeting.

(3) Any person, who after the date upon which this Article comes into force, shall become a Full Member of the Association shall be included in one or other of the said Panels and the division thereof, if any, according to his predominant business interest. Each such person shall in the first instance declare the Panel and the division thereof, if any, in which he desires to be included but the particular Panel and the division thereof, if any, in which he shall be included shall be in the absolute and uncontrolled discretion of the Board. The Board shall also have the power at any time and from time to time in their absolute and uncontrolled discretion with the approval of the Forward Markets Commission to alter the Panel or any division thereof, in which the Member shall be included or transferred to if they consider that the Member's predominant business interest has changed in the meantime. Provided, however, that no such alteration shall ordinarily be made during a period of three months immediately preceding an Annual General Meeting.

(4) No Full Member shall be included in more than one Panel. The number of Members in any Panel is not restricted and the different Panels may vary in the total number of their Members.

(5) The Special Associate Members Class A, Special Associate Members Class B and Associate Members other than New Associate Members Class B, shall form a separate panel. Their authorised representatives shall out of their number, elect annually from amongst themselves their representatives, who shall be entitled to receive notices of and to attend and vote at all meetings of the Association and at all general meetings of authorised representatives. The number of persons so to be elected shall be the number nearest to but not exceeding nine per centum of the total number of Special Associate Members Class A, Special Associate Members Class B and Associate Members other than New Associate Members Class B registered as such on the fifteenth day preceding the day fixed for election. The said representatives elected under the then existing Article 26A during the year 1956-57 shall be deemed to have been elected under this Article for the financial years 1956-57 and 1957-58 and subsequent elections shall take place thereafter in the month of October or November in each year, commencing October or November 1958. The persons so elected or deemed to be elected shall represent Special Associate Members Class A, Class B and Associate Members other than New Associate Members Class B and have the rights aforesaid, from the date of the election until the next succeeding election. The Board may from time to time make rules for the conduct of such elections. Any casual vacancy occurring amongst such elected representatives may be filled at a meeting of the elected representatives by co-opting an authorised representative of a Special Associate Member Class A, Special Associate Member Class B or Associate Member other than New Associate Members Class B.

Article 44.—Every poll shall be taken by ballot. Every ballot shall be taken in such manner as the Board may prescribe, and in default thereof, in such manner as the Chairman of the meeting directs.

VOTE OF MEMBERS

Article 47.—The following shall be entitled to attend and vote at General Meetings of the Association or at Meetings of Authorised Representatives:—

- (i) an Authorised Representative (not being an Authorised Representative of a Special Associate Member Class A or Special Associate Member Class B or an Associate Member) registered or deemed to be registered as such under Article 17.
- (ii) the authorised representative of Special Associate Members Class A, Special Associate Members Class B, and Associate Members other than New Associate Members Class B, elected in accordance with Article 26.
- (iii) a Director nominated by the Indian Central Cotton Committee.
- (iv) a Director nominated by the Central Government.

Save as aforesaid and save as expressly otherwise provided in these Articles, or in the Act or any other enactment, no person shall be entitled to attend or vote. Every person qualified to attend and vote as aforesaid shall have one vote except the Chairman who shall have in addition casting vote.

DIRECTORS

Article 49.—Save and except by reason of a casual vacancy, there shall be not less than 15 and not more than 26 Directors inclusive of the President and Vice-President constituted as follows:—

- (a) Eighteen Directors, who shall be elected by the authorised representatives of Members specified in sub-clauses (i) and (ii) of Article 47. Of such Directors, six shall be authorised representatives from the Buyers' Panel out of whom two shall be from the Mill members' division thereof, and four shall be from the members of the other division thereof, four shall be authorised representatives from Sellers' Panel, six shall be authorised representatives from Brokers' Panel and two shall be authorised representatives from the authorised representatives of Special Associate Members Classes A and B and of Associate Members other than New Associate Members Class B elected in accordance with the provisions of Article 26.
- (b) Three Directors nominated by the Indian Central Cotton Committee constituted under the Indian Cotton Cess Act, 1923. Each such Director need not be a Member of the Association, but shall be a Growers' Representative on the Indian Central Cotton Committee, not having dealings in forward contracts.

Each such Director shall be entitled to attend and vote at all Directors' Meetings, at all General Meetings of the Association and at all meetings Authorised representatives, save and except that he shall not be entitled to vote in respect of the appointment or election of a Director.

Explanation.—For the purpose of this clause, a person shall not be considered ineligible for nomination merely on the ground of his being an office-bearer of a Co-operative Society which deals in forward contracts in cotton.

- (c) Four Directors nominated by the Central Government in accordance with the provisions of sub-clause (b) of Clause (2) of Section 6 of the Forward Contracts (Regulation) Act, 1952. Each such Director shall be entitled to attend and vote at all Directors' Meetings, at all General Meetings of the Association and at all meetings of Authorised representatives, save and except that he shall not be entitled to vote in respect of the election or appointment of a Director.
- (d) One Director, if any, (hereinafter called "the Co-opted Director") co-opted from the authorised representatives of Full Members by the President in consultation and with the approval of the Forward Markets Commission after the Annual General Meeting or at any time thereafter, who shall hold office until the conclusion of the next Annual General meeting.

Article 52.—The Directors who shall be in office immediately before these Articles shall come into force, shall continue to hold office until the conclusion of the first Annual General Meeting of the Association after these Articles have come into force *i.e.*, for the financial year 1955-56 when all of them shall retire and the Board of Directors shall be constituted in accordance with the provisions of Article 49.

Article 59.—(1) At the Annual General Meeting of the Association for the financial year 1956-57 and thereafter at every succeeding Annual General Meeting, one Director elected from the authorised representatives of mill members included in Buyers' Panel and two Directors elected from the authorised representatives of the remaining members included in that Panel, two Directors elected from the authorised representatives of Sellers' Panel, three Directors elected from the authorised representatives of Brokers' Panel and one representative elected from the authorised representatives of Special Associate Members Class A, Special Associate Members Class B and Associate Members other than New Associate Members Class B, shall retire. The Directors to retire as aforesaid shall be Directors who have been longest in office. As between those who have been in office an equal length of time, the Director or Directors to retire shall, in default of agreement between them, be determined by lot. The length of time a Director has been in office shall be computed from his last election or appointment where he has previously vacated office.

(2) With regard to the Directors, who are liable to retire as aforesaid, their names shall be ascertained at the latest 30 days before the Annual General Meeting in each year and if the number of candidates contesting the election for filling up the vacancies shall, in respect of each of the panel concerned or any division thereof, be in excess of double the number of vacancies to be filled in, the respective Panel or panels or any division thereof concerned shall be called upon to elect from amongst the candidates a number equal to double the number of the vacancies, at a meeting of the Panel or Panels or any division thereof, all in accordance with the rules that may be framed from time to time in that regard by the Board keeping in view the provisions of Articles 26, 49 and of this Article.

Article 64.—(1) If the office of any Director is vacated before his term of office will expire in the normal course, the resulting casual vacancy may be filled up as follows:—

- (a) If the Director who vacated office, represented a Panel or any division thereof, the Board may fill up such vacancy by appointing a person who is an authorised representative from the same Panel and the division thereof, if any;
- (b) If the Director who vacated office, represented authorised representatives of Special Associate Members Class A, Special Associate Members Class B and Associate Members other than New Associate Members Class B elected in accordance with Article 26, the Board may fill up such vacancy, but only by appointing thereto a person elected under Article 26;
- (c) If the Director who vacated office, was the co-opted Director, the President in consultation and with the approval of the Chairman of the Forward Markets Commission may fill up such vacancy from the authorised representatives of Full Members;

- (d) If the Director who vacated office, was nominated by the Indian Central Cotton Committee shall have power to fill such vacancy by nominating a duly qualified person thereto; and
- (e) If the Director who vacated office, was nominated by the Central Government, the Central Government shall have power to fill such vacancy by nominating a duly qualified person thereto.
- (2) Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.

[No. 33 (1)-TMP/FMC/58.]

K. V. VENKATACHALAM, Jt. Secy..